

Customs clearance: efficiently organising the customs handling of imports and exports

Customs clearance covers all the steps required to bring goods legally across a customs border – from declaration and document checks to payment of duties. For industrial buyers it is a critical element of procurement logistics, because delays or errors here can interrupt supply chains and generate additional costs. Especially in international supplier relationships, the quality of customs clearance determines whether announced lead times are met. A structured approach reduces duty costs, avoids sanctions and creates predictable processes along the entire supply chain.

Key facts

- Customs clearance covers classification, declaration, document checking and payment of duties for imports and exports.
- Errors in HS codes or certificates of origin can trigger post-clearance recoveries, late-payment surcharges and delivery delays.
- Simplifications such as valuation rulings, authorisations as declarant or customs warehouses are tied to authorisations and audits.
- Incoterms determine who bears customs formalities and costs, and therefore belong in every ordering policy.
- Digital interfaces and data quality in declaration data are the key levers for fast clearance.
- The level of duties depends on the origin of the goods, the tariff and the customs value – not solely on the country of dispatch.

Definition: customs clearance

Customs clearance refers to the entirety of the customs-law steps needed to clear a consignment under import or export procedures. This includes tariff classification, determination of the customs value, declaration to customs, presentation of accompanying documents, and the calculation and payment of import duties. Clearance is frequently carried out by customs agents or freight forwarders on behalf of the importer, but responsibility remains with the declarant.

Distinction from customs advisory services and freight forwarding services

Customs clearance is the operational execution, while customs advisory services address strategic questions such as duty optimisation or compliance structures. Freight forwarders bundle transport and clearance but are not automatically liable for customs-law correctness. Buyers awarding contracts should therefore contractually specify who acts as declarant and which obligations the contractor assumes.

Roles involved

Typical parties involved are importers or exporters, the customs agency, the carrier and the customs authority. In many companies, responsibility lies with procurement or procurement logistics,

supplemented by a customs compliance team. Clear allocation of responsibilities is a basic prerequisite for keeping response times short during inspections.

Process and methods of customs clearance

A standardised process from order to release of the goods can be structured in phases. Anyone who documents this process cleanly can measure lead times and shorten them in a targeted way. At the same time, the documentation forms the basis for tax audits and internal audits.

Preparation: classification, origin and documents

Prior to import, the commodity code (HS code), preference or origin evidence, commercial invoice, packing list and, depending on the goods, further certificates such as the Certificate of Conformity are prepared. Classification requires expertise, because small differences in characteristics can lead to different duty rates. Document quality is closely tied to master data: incomplete mandatory fields in article and supplier master records are a common source of errors in practice.

Declaration and clearance

The customs declaration is submitted electronically via the national customs system, in the EU via ATLAS. Customs carries out sample checks, risk analyses and document checks; upon release, duties are calculated and the goods are released. In the event of inspections, a fast response counts – a named contact in procurement or logistics has proved its worth here.

Making use of simplified procedures

Authorised procedures such as valuation rulings, authorisations as declarant, simplified declarations or customs and free warehouses reduce effort and dwell times. The prerequisites are reliability, functioning internal controls and, in part, security certifications. These authorisations should be treated as strategic and belong in the procurement strategy for international sourcing markets.

Costs, Incoterms and cost drivers

The level of import duties results from the customs value, the duty rate and, where applicable, import VAT plus special levies such as anti-dumping duties. The duty rate follows from the commodity code and origin, not from the country of dispatch. Buyers can achieve measurable savings here through clean negotiation and cost allocation.

Incoterms as a lever

The chosen delivery term determines who bears transport, insurance and customs formalities. In practice, terms such as DDP offer predictability for the buyer but often conceal real cost components; EXW or FCA shift control to the buyer and require in-house clearance expertise. The choice of term should be a firm element of negotiation techniques in supplier contracts.

Customs value and preferences

The customs value is typically based on the purchase price plus certain cost items; preferential agreements can reduce the duty rate to zero if origin evidence is available. Buyers should anchor customs-relevant information as mandatory fields in tenders so that offers remain comparable. This allows landed costs to be calculated reliably and incorporated into budgeting.

Offsets and licences

Binding tariff information rulings, customs warehouses and active/passive processing shift duty payment dates or reduce rates. These instruments require administrative effort but often pay off quickly at relevant volumes. Monitoring your own duty cost positions helps to identify potential systematically.

Key KPIs in customs clearance

Customs clearance, like any logistics process, can be measured. The following metrics provide practical anchor points; target values depend on industry, product range and countries and should be defined internally.

Lead and dwell times

The time from arrival to release shows how efficiently clearance and communication with the authorities run. Longer dwell times have a direct impact on inventory cover and can jeopardise just-in-time deliveries.

Error and follow-up rates

The rate of corrected declarations or follow-up queries is an early indicator of data quality problems. Falling error rates are usually the effect of better master data and clear supplier requirements.

Duty costs per consignment or per procurement volume

This metric makes duty costs manageable and allows comparisons across countries, product groups and service providers. As volumes grow, it is worth looking at savings potential through preferences and authorisations.

Risks and controls in customs clearance

Customs-law errors can entail significant costs and legal consequences, from post-clearance recoveries and late-payment surcharges to criminal proceedings in cases of intentional violations. Structured risk management links customs compliance with general supplier evaluation.

Typical risks

Common risks are incorrect classification, missing or subsequently created origin evidence, incomplete invoice information and unclear declarant responsibilities. Embargoes and sanctions lists must also be checked without fail. Anyone working with global supplier landscapes should systematise these checks, for example as part of a supplier landscape analysis.

Controls and internal review loops

Effective controls include the four-eyes principle in classification, sample audits by internal auditors and regular training. A defined delegation of authority governs who may sign duty payment instructions and authorisations. Findings from incidents should ideally feed into the supplier rating or supplier rating model, so that repeated documentation deficiencies influence the assessment.

Ensuring supply continuity

Delays at border crossings are a classic disruption scenario. In addition to customs compliance, a business continuity plan (BCP) should define alternative routes, customs agencies or warehouse locations. Expediting on critical consignments helps to identify clearance-related delays early and to

keep supplying customers reliably.

Current developments and the digitalisation of customs clearance

Customs clearance is digitising rapidly: electronic customs systems, connected data flows and growing data volumes are changing the requirements placed on declarants. At the same time, trade-policy dynamics – sanctions, additional tariffs, new evidence requirements – are increasing, pushing customs topics further into strategic procurement work.

Data quality and automation

Automated declarations only work with reliable master data. Metrics such as a data score or data quality score at article and supplier level show where improvement is needed. Higher data quality reduces inspection intensity and sustainably accelerates releases.

Sustainability and reporting obligations

Companies are increasingly linking customs and sustainability data, for example for emissions reporting in transport or for origin evidence. Customs clearance is thus becoming part of broader compliance and reporting processes. Anyone developing a category vision and procurement strategy should consider customs aspects from the outset.

Buyers as process owners

Customs clearance is not just a matter for the logistics department: it influences landed costs, delivery times and contract design. Buyers who build customs knowledge negotiate from a position of greater competence and can better assess potential added value in cross-selling within procurement or when establishing new product categories. The question of vertical integration – in-house customs clearance expertise versus outsourcing – also becomes strategically more relevant as a result.

Typical metrics

Clearance lead time: < 24 hours

Time from arrival to release, excluding inspection cases

Declaration error rate: < 2%

Share of corrected or queried declarations

Dwell time during inspections: < 5 working days

Target value for release after official inspection

Duty costs per procurement volume: industry-dependent

compare as a trend metric across countries and product groups

Practical example

A medium-sized mechanical engineering company with suppliers in Asia and Europe repeatedly experienced delivery delays due to subsequently requested certificates of origin and inconsistent Incoterms. Procurement established a structured process and linked customs topics with the existing supplier evaluation.

- Central tariff classification database with verified commodity codes and mandatory fields per article
- Incoterm standard in the ordering policy: FCA for sea freight, DDP only with cost approval

- Supplier training on document preparation including the Certificate of Conformity
- Monitoring of dwell times and error rates with a monthly review between procurement and logistics

Conclusion

Customs clearance is a multi-layered process that goes far beyond mere clearance and significantly influences costs, delivery times and compliance. Anyone who structures classification, origin evidence and documents cleanly reduces risks and creates predictable procurement logistics. Simplified procedures and targeted data maintenance offer considerable savings potential as volumes grow. Buyers should anchor customs topics firmly in procurement strategy, supplier evaluation and budgeting. This turns customs clearance from a risk into a controlled area for action in international procurement.

Frequently asked questions

What does customs clearance involve?

Customs clearance covers the customs declaration of goods on import or export, the checking of documents, tariff classification, and the calculation and payment of duties and taxes. It is often carried out by customs agencies or freight forwarders on behalf of the importer. Legal responsibility generally remains with the declarant, i.e. the importer or exporter.

Who bears the cost of customs clearance?

This depends on the agreed Incoterm. Under DDP, the seller bears customs formalities and duties; under EXW or FCA it is usually the buyer. Buyers should choose the term deliberately, as it has a significant impact on landed cost, risk and control over the clearance process.

How long does customs clearance take?

In the standard case, with complete documentation and no inspection, clearance is often completed within a few hours to one working day. With inspections, missing evidence or high-risk goods, dwell times can extend to several days or weeks. Good data quality and simplified procedures typically reduce the duration considerably.

What is the difference between customs clearance and a customs declaration?

The customs declaration is the individual formal step by which goods are declared to customs. Customs clearance covers the entire process – from document preparation through classification and declaration to payment of duties and release of the goods. The declaration is therefore part of the clearance process.

Is it worth having your own in-house customs declarant?

That depends on import volume, the complexity of the product range and internal staffing capacity. At high volumes or with regular simplified procedures, in-house expertise is often economical; with low volumes, the advantages of customs agencies outweigh the costs. Many companies choose a hybrid solution with external execution and internal steering.

Which documents are required for customs clearance?

Typically the commercial invoice, transport documents, packing list and, depending on the goods, certificates of origin or preference, certificates of conformity and further permits. The exact requirements depend on the goods, destination country and trade route. Incomplete documentation is the most common cause of clearance delays.